



membership fees paid to grower organizations. The consultant fee, listed under custom operating costs, includes soil and petiole sampling and irrigation scheduling.

Land rent is based on a one-year cash lease for potatoes and covers the ownership costs (depreciation, interest, and insurance) of the irrigation system. Since the charge for water, irrigation system repairs, and irrigation power costs are listed separately, the land rent may appear low because the landowner in many circumstances pays some or even all these expenses.

Budget Format

Table 1 shows both expected revenue, based a specified yield and price, and expenses. Expenses are broken into two main categories: operating and ownership. Operating expenses are those that typically vary with the level of production and





Item	Quantity Per Acre	Unit	Price or Cost	Value or Cost/Acre
<u>Ownership Costs:</u>				
				5.70
				192.00
				69.00
				535.00
				59.00
				179.00
Total Ownership Costs				\$1,039.70
Ownership Costs per Unit				\$2.48
Total Costs per Acre				\$2,994.79
Total Cost per Unit				\$7.13
Returns to Risk				\$260.21

Notes:

Breakeven Analysis:

	- 5%	Base	+ 5%
		Yield	
<u>Price</u>	399	420	441
Operating Cost Breakeven	\$4.90	\$4.65	\$4.43
Ownership Cost Breakeven	\$2.61	\$2.48	\$2.36
Total Cost Breakeven	\$7.51	\$7.13	\$6.79
		Price	
<u>Yield</u>	\$7.36	\$7.75	\$8.14
Operating Cost Breakeven	265.5	252.3	240.3
Ownership Cost Breakeven	141.2	134.2	127.8
Total Cost Breakeven	406.8	386.4	368.0



